Target set for rate of inflation

4360. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has been letting rupee gain rapidly against the dollar to curb inflation;

(b) if so, the details thereof;

(c) what other measures are being taken to bring down the rate of inflation; and

(d) the target set for rate of inflation by the end of current fiscal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) No, Sir. The exchange rate of the Rupee is determined in the market by demand and supply forces. RBI's exchange rate policy is guided by the broad principles of careful monitoring and management of exchange rates with flexibility and guided by the need to reduce excess volatility, prevent the emergence of destabilising speculative activities, help maintain adequate level of reserves, and develop an orderly foreign exchange market.

(c) As containment of inflation remains high on the agenda of the Government, anti-inflationary policies have been initiated by the Government, which among other things, include strict fiscal prudence, addressing supply side constraints in respect of essential commodities, and strengthening of public distribution system for foodgrains. RBI has also initiated monetary measures in this regard.

(d) RBI has indicated that in view of the lagged and cumulative effects of monetary policy on aggregate demand and assuming that supply management would be conducive, capital flows would be managed actively and in the absence of shocks emanating in the domestic or global economy, the policy endeavour would be to contain inflation close to 5.0 per cent in 2007-08.

Computerisation of new Customs House, New Delhi

4361. SHRIMATI PREMA CARIAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether the records of the different departments of the new Customs House, New Delhi is computerized;